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## CENTRAL

# INTELLIGENCE

# BULLETIN



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### CENTRAL INTELLIGENCE BULLETIN

	19 October 1959	
25X1	DAILY BRIEF	
	I. THE COMMUNIST BLOC	
ر ک 25X1	Communist China: While continuing their propaganda invective against the United States, the Chinese Communists are trying to refurbish their reputation in neighboring Asian neutral states. Peiping's Foreign Minister Chen Yi told a visiting Burmese delegation on 17 October that China "wanted to exist in peace with all its neighbors and with all the countries of the world." The Chinese made an earlier overture to the Burmese on 25 September, when the Chinese ambassador in Rangoon assured the Burmese premier that China accepted Burma's definition of the border with reservations only about a few small areas. On 6 October, Premier Chou En-lai sent Nehru a message which termed the Sino-Indian border issue a mere episode in an "age-old friendship."  (Page 1)	5X1
	II. ASIA-AFRICA	
25X1 25X1 [	Ceylon - Communist China: Several top government officials in Colombo are seeking ways to reduce Ceylon's economic ties with Communist China. Colombo has long been dissatisfied with the terms of its rice-rubber barter agreement with Peiping. The minister of trade now has suggested that the United States furnish the \$3,000,000 in aid which the Chinese are providing for Ceylon's rubber replanting program. He feels this step would pave the way for Colombo to abrogate the entire rice-rubber pact. A recent contract to buy rice from Burma has improved Ceylon's position as far as its food requirements are concerned, thereby lessening its dependence on Chinese supplies. (Page 2)	25X1 25X1 25X1
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į L		Japan: The Japanese Socialist party's right-wing faction, headed	
		by Suehiro Nishio, has decided to secede from the party and to form	
		a "truly democratic socialist party." The secession, while not yet official, is based on Nishio's opposition to the party's increasingly	
		pro-Communist orientation and domination by left-wing labor unions.	
Š		Nishio apparently is supported by about 30 of the 249 Socialist Diet members, and he must attract considerably more Socialist Diet	
	.V	members to form an effective new party. The Socialist split may have a divisive effect on Prime Minister Kishi's Liberal-Democratic	
	06	party, which was formed in 1955 to counter the merger of the Left	
Á		and Right Socialists. Kishi may thus have additional difficulty in holding his party in line on important issues, including revision of	
		the US-Japanese security treaty and relations with Communist	25X1
		China.	
		<u> </u>	
		III. THE WEST	######################################
			5X1
	i Ü	anniversary of the 1944 revolution that initiated a decade of left- ist rule in Guatemala. Extreme leftists are planning a massive	
	N	parade, while an anti-government rightist faction is reported to be	5X1
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		19 Oct 59 DAILY BRIEF ii Approved For Relea <del>se 2003/02/27 : CIA-RDP79T00975</del> A0047QQ42Q001-3	
		2581	8

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ists' boasts of US suppose being accepted as fact	demonstrations and riot rthrow of President Yd oort for their coup plans by many key Guatemals	igoras. The right- 25X1 sare apparently
President,		25X1
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Section 1995		
19 Oct 59	DAILY BRIEF	iii

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#### I. THE COMMUNIST BLOC

### Peiping Renews Overtures to Asian Neutral Neighbors

Communist China's Foreign Minister Chen Yi told a visiting Burmese delegation on 17 October that China "wanted to exist in peace with all its neighbors and with all the countries of the world." Chen declared that China's economic programs required "a peaceful environment and continued relaxation of the world situation."

The foreign minister's remarks, which contained the specific assurance that China was particularly interested in peaceful relations with bordering countries, suggest that Peiping intends to follow up its recent overtures to these countries in an effort to refurbish its international reputation. On 6 October Premier Chou En-lai sent Nehru a message which termed the Sino-Indian border issue a mere episode in an "age-old friendship."

On 25 September, the Chinese ambassador in Rangoon as-
sured the Burmese premier that China accepted Burma's defini-
tion of the border, with reservations only about a few areas.
Since part of Burma's border claim is based on the McMahon line,
which China refuses to accept as its border with India, Peiping
may be trying to make the Burmese feel they are being granted
something denied the Indians and to induce them to resume border
negotiations. Last spring, the Burmese premier, disgusted with
Communist delaying tactics, submitted a package proposal as
Burma's "final offer."
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The Chinese continue their propaganda invective against the
United States, which is charged with "armed occupation" of Tai-
wan and with deliberate measures to create new international
tensions.

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#### III. THE WEST

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### Political Violence May Be Imminent in Guatemala

Guatemalan President Ydigoras is facing the most serious crisis of his 19-month-old administration, which has been characterized by an almost total absence of positive accomplishment and leadership. Harassed by rapidly growing leftist forces and subversive plotting by rightist factions, he has tried by divideand-rule tactics to maintain his tenuous hold on power. He now appears to be losing control, and various political factions, as well as groups in the politically important armed forces, are maneuvering in anticipation of what they apparently regard as the President's inevitable downfall. US Ambassador Mallory sees a strong possibility of serious violence in the very near future.

(Communist-influenced leftists are planning a massive parade on 20 October, anniversary of the 1944 revolution that initiated a decade of leftist rule in Guatemala, and a rightist faction is reported to be preparing for counterdemonstrations and riots of sufficient violence to cause Ydigoras' ouster?

(The rightist Nationalist Democratic Movement (MDN), discredited remnant of the political machine of the late President Castillo Armas, is in the forefront of the plotting and is believed responsible for the more than 30 terrorist bombings in the capital since last July. Its boasts that it has US backing for its coup plans are apparently being successfully used to recruit army officers to the MDN cause. President Ydigoras, who has long suspected US opposition to him, revealed his firm conviction in a conversation with the ambassador on 14 October that American "groups" are supporting his enemies.

(Ambassador Mallory believes that, whatever the consequences of an outbreak of violence, US interests would inevitably be adversely affected.

A rightist coup would be certain to arouse strong popular op-	
position and would tend to unify opposing leftist forces which would	
then become even more susceptible to Communist control.	
then become even more susceptible to community	_

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